

TITLE 39. TAXATION  
SPECIFIC TAXES  
ARTICLE 21. PROCEDURE AND ADMINISTRATION  
PART 1. GENERAL PROVISIONS

C.R.S. 39-21-110.5 (2014)

39-21-110.5. Rate of interest to be fixed

(1) When interest is required or permitted to be charged under any provision of articles 20 to 29 of this title in connection with interest on underpayment, nonpayment, extension of time for payment, or overpayment, or when interest is required to be paid pursuant to [section 8-20.5-104, C.R.S.](#), in connection with an application for reimbursement from the petroleum storage tank fund, such interest shall be computed at the annual rate which has been established pursuant to this section.

(2) Except as otherwise provided in subsection (4) of this section, the annual rate of interest shall be the prime rate, as reported by the "Wall Street Journal", plus three points, rounded to the nearest full percent. In the event that more than one rate is so reported, the highest rate shall be utilized.

(3) The commissioner of banking shall establish an adjusted annual rate of interest based upon the computation specified in subsections (2) and (4) of this section and rounded to the nearest full percent. The adjusted annual rate of interest shall be so established by the commissioner of banking as of July 2, 1990, to become effective January 1, 1991. Thereafter, on July 1, or the next succeeding business day, of each year, the adjusted annual rate of interest shall be established in the same manner, to become effective on January 1 of the next succeeding year.

(4) For refunds issued on or after January 1, 2004, the annual rate of interest applicable to [sections 39-21-110](#) and [39-22-622](#) shall be as follows:

(a) If the amount of the refund is less than five thousand dollars or if the amount of the refund is equal to or greater than five thousand dollars but less than ten percent of the taxpayer's net tax liability for the period for which the tax is paid, the annual rate of interest shall be the prime rate, as reported by the "Wall Street Journal", plus three points, rounded to the nearest full percent. In the event that more than one rate is so reported, the highest rate shall be utilized.

(b) (I) If the amount of the refund is equal to or greater than five thousand dollars and the amount of the refund is equal to or greater than ten percent of the taxpayer's net tax liability for the period for which the tax is paid, the annual rate of interest shall be the prime rate, as reported by the "Wall Street Journal", rounded to the nearest full percent, except as provided in subparagraph (II) of this paragraph (b). In the event that more than one rate is reported, the highest rate shall be utilized.

(II) For any refund subject to the provisions of subparagraph (I) of this paragraph (b), if the taxpayer demonstrates that the overpayment of tax necessitating such refund was due to good cause as determined by the executive director, the annual rate of interest shall be the prime rate, as reported by the "Wall Street Journal", plus three points, rounded to the nearest full percent. In the event that more than one rate is so reported, the highest rate shall be utilized.